



Commonwealth of Massachusetts
Executive Office of Health and Human Services
Office of Medicaid
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Eligibility Operations Memo 04-01
January 1, 2004

TO: MassHealth Eligibility Operations Staff

FROM: Russ Kulp, Deputy Director, MassHealth Operations

RE: **2004 Social Security Benefit Cost-of-Living Adjustment (COLA) for Community and Long-Term-Care MassHealth Cases**

Introduction

The following cost-of-living adjustments were effective January 1, 2004.

- Retirement/Survivors/Disability Insurance (RSDI) benefits increased by **2.1%**. See "Special Note" on page three of this memo.
- The maximum monthly spousal maintenance needs allowance increased from \$2,267 to **\$2,319**.
- The minimum amount of assets that can be kept by an institutionalized individual's spouse increased from \$18,132 to **\$18,552**.
- The maximum amount of assets that can be kept by an institutionalized individual's spouse increased from \$90,660 to **\$92,760**.
- The basic Medicare Part B premium increased from \$58.70 to **\$66.60** per month. See "Special Note" on page three of this memo.
- The Medicare Part B premium surcharges increased. The updated surcharge table is attached to this memo. See "Special Note" on page three of this memo.

PACES has been updated to reflect these new amounts.

Federal Poverty Level-Related Issues and PACES Actions

Federal law mandates that the following groups of people will not lose their eligibility for MassHealth as a result of a cost-of-living adjustment.

- Elderly or disabled MassHealth members whose income is less than or equal to 100% of the federal poverty level (FPL).
- MassHealth Senior Buy-In members whose income is less than or equal to 100% of the FPL.

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**Federal Poverty
Level-Related
Issues and
PACES Actions
(cont.)**

- MassHealth Buy-In for Specified Low Income Medicare beneficiaries (SLMB) in long-term care whose income is greater than 100% but less than 120% of the FPL.
- MassHealth Buy-In for SLMB/Qualifying Individuals in the community whose income is less than 135% of the FPL.

PACES Actions

To protect the eligibility of the above four groups until new FPL guidelines are issued in April of 2004, PACES has been temporarily updated with the following estimated federal poverty level guidelines.

	100% FPL	120% FPL	135% FPL
One person	\$ 765	\$918	\$1033
Two persons	\$1032	\$1239	\$1394

PACES also has been temporarily updated with the estimated 133% FPL guidelines for calculating the Hermanson personal-care attendant (PCA) unearned income disregards. PACES will be updated with the actual amounts as soon as the new FPL guidelines are issued.

Reminder: The home maintenance needs allowance (HMNA) remains at \$749 until the April 2004 FPL change is implemented.

**BENDEX/PACES
Updates**

Effective in January, RSDI income amounts were updated using the amounts shown on the BENDEX file, unless the RSDI income on PACES exceeded these amounts. When the RSDI income shown on PACES is greater than what appears on the BENDEX file, the PACES amount will automatically be increased by 2.1%.

**Long-Term-Care
Case Actions**

In December 2003, the following actions were taken:

- PACES calculated new patient-paid-amounts (PPAs) using the 2004 RSDI amounts, effective January 1, 2004, for long-term-care members. Notices, in the MA21 notice format, with the new PPA amounts were sent to members, spouses, and conservators. These notices are viewable only through View Direct.
- MMIS was updated with the new PPA information.

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**Long-Term-Care
Case Actions
(cont.)**

Letter-format notices were mailed to long-term-care facilities informing them of members' old and new PPAs. This format replaces the prior "2-Up" card notice format.

**Spousal Case
Actions**

The following actions were taken for spousal cases.

- RSDI amounts were updated for spouses (dependent #50 on PACES) and the new gross RSDI amounts will be used in future calculations.
- Spousal cases were recalculated using the new cap for the minimum monthly maintenance needs allowance (MMMNA).

PACES will use the new MMMNA cap and minimum and maximum spousal asset allowances for calculations as of January 2004.

**Community Case
Actions**

In April 2004, PACES will update the income amounts for category 5 community members on PACES. PACES uses the 2003 RSDI income amounts until the April 2004 FPL change is implemented.

Special Note

Sometimes the amount of the Medicare Part B premium is adjusted so that there is **no** change in the amount of the January Social Security check.

If the dollar amount of the member's Social Security COLA increase is **less than** the Medicare Part B premium increase, the member's Social Security check would actually be decreased instead of increased. To prevent this from happening, when the Social Security COLA increase is so low that it will not cover the increased cost of the Medicare Part B premium, the Social Security Administration reduces the amount of the member's Medicare Part B premium to an amount that permits the Social Security check in January, after deduction of the premium, to equal the amount of the check received in December. In these instances, the amount of the member's Medicare Part B premium will differ from the base amount or the amounts listed on the surcharge chart.

Reminder: When entering TYPE A income (social security) with a Med Prem amount, always check SVES or BENDEX to verify information.

The Medicare Part B premium amount is not reduced for State buy-in cases.

Questions

Questions about these procedures should be directed to the MassHealth Policy Hotline through the designee at your enrollment center.

2004 Medicare Part B Surcharge Premiums

[Base Premium of \$66.60 Plus Surcharge]

10%	\$ 73.30
20%	\$ 79.90
30%	\$ 86.60
40%	\$ 93.20
50%	\$ 99.90
60%	\$106.60
70%	\$113.20
80%	\$119.90
90%	\$126.50
100%	\$133.20
110%	\$139.90
120%	\$146.50
130%	\$153.20
140%	\$159.80
150%	\$166.50
160%	\$173.20
170%	\$179.80
180%	\$186.50
190%	\$193.10

200%	\$199.80
210%	\$206.50
220%	\$213.10
230%	\$219.80
240%	\$226.40
250%	\$233.10
260%	\$239.80
270%	\$246.40
280%	\$253.10
290%	\$259.70
300%	\$266.40
310%	\$273.10
320%	\$279.70
330%	\$286.40
340%	\$293.00
350%	\$299.70
360%	\$306.40
370%	\$313.00

Massachusetts SSI Payment Standards Effective January 1, 2004

Living Arrangement Category

	A	B	C	E	G
	Full Cost of Living Expenses	Shared Living Expenses	Household of Another	Licensed Rest Home	Assisted Living
Individual					
Aged	\$692.82	\$603.26	\$480.36	\$857.00	\$1,018.00
Disabled	678.39	594.40	463.58	857.00	1,018.00
Blind	713.74	713.74	713.74	713.74	1,018.00
Member of a Couple					
Aged	\$523.86	\$523.86	\$389.90	\$857.00	\$763.50
Disabled	513.03	513.03	379.09	857.00	763.50
Blind	713.74	713.74	713.74	713.74	763.50

Note: The personal needs allowance in licensed rest homes is \$60. — The personal needs allowance in nursing facilities and chronic disease hospitals is \$65.

RSDI Cost-of-Living Adjustments (COLA)

Date	Percentage of Increase	Date	Percentage of Increase	Date	Percentage of Increase
July 1, 1977	5.9%	January 1, 1987	1.3%	January 1, 1996	2.6%
July 1, 1978	6.5%	January 1, 1988	4.2%	January 1, 1997	2.9%
July 1, 1979	9.9%	January 1, 1989	4.0%	January 1, 1998	2.1%
July 1, 1980	14.3%	January 1, 1990	4.7%	January 1, 1999	1.3%
July 1, 1981	11.2%	January 1, 1991	5.4%	January 1, 2000	2.5%
July 1, 1982	7.4%	January 1, 1992	3.7%	January 1, 2001	3.5%
January 1, 1984	3.5%	January 1, 1993	3.0%	January 1, 2002	2.6%
January 1, 1985	3.5%	January 1, 1994	2.6%	January 1, 2003	1.4%
January 1, 1986	3.1%	January 1, 1995	2.8%	January 1, 2004	2.1%